



Foreign Agricultural Service

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## **Philippines**

### **Trade Policy Monitoring**

# **Special Safeguard Imposed on Chicken Meat and Parts 2002**

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#### **Report Highlights:**

**The Philippines has imposed an additional special safeguard (SSG) duty on imports of chicken meat and parts based on its Safeguard Measures Act. The Department of Agriculture(DA) has concluded that the landed cost of five chicken products has fallen below the established trigger prices. AgAffairs Office has concerns about the trigger values, and discussions are ongoing with DA. Moreover, the DA has imposed an additional volume-based SSG duty for prepared and preserved chicken meats in airtight containers.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Manila [RP1], RP

The Philippine Department of Agriculture (DA) has announced the imposition of an additional special safeguard (SSG) duty on imports of chicken and chicken parts based on Republic Act 8800, referred to as the Safeguard Measures Act (Chapter III, section 22 and 23), effective immediately. USDA's Office of AgAffairs has questioned the values of some of the SSG trigger prices, and discussions are ongoing with DA.

Based on 1986-88 data provided by the Bureau of Customs (BOC) on chicken and chicken part imports, the DA has concluded that the trigger prices of five agricultural products have been breached, such that their actual c.i.f. prices have fallen below the published trigger prices (refer to GAIN RP2067). A price-based SSG<sup>1</sup> duty has been imposed on the following chicken tariff lines over and above the regular customs duty on a shipment by shipment basis:

H.S. Code	Product Description	Duty 2002	Duty + SSG (Pesos/kg)	Trigger Price (Pesos/kg)
0207.11.20	Meat offal of fowls of the species Gallus domesticus, not cut in pieces, fresh or chilled	60%	36.82 + 6.96	93.96
0207.12.20	Meat of fowls of the species Gallus domesticus, not cut in pieces, frozen	60%	23.40 + 22.36	93.96
0207.14.12	Livers of the species Gallus domesticus, frozen	60%	21.53 + 369.20	423.55
0207.14.92	Other cuts and offal of fowls of the species Gallus domesticus, frozen	50%	17.94 + 26.05	93.96
1602.32.90	Meat or offal of fowls of the species Gallus domesticus, prepared or preserved other than in airtight containers	50%	71.76 + 32.93	259.22

Post estimates that the the additional SSG duty over and above the out-of-quota duty for whole fresh or chilled chickens (0207.11.20) effectively increases duties by around 20 percent. For chicken cuts and pieces (0207.12.20), the SSG duty would increase duty by about 100 percent. Chicken liver imports (0207.14.12) would be hit especially hard by the SSG measure, effective duty would be raised by as much as 1800 percent. Other chicken cuts and offals would increase by around 150 percent. For prepared and preserved chicken meat, tariffs would be increased by about 50 percent. Out-of-quota duties for chicken for the current year range from 50 to 60 percent. The majority of US chicken exports to the Philippines fall within the the GRP's TRQs for poultry and are thus not affected by this additional SSG.

According to the DA, the effectivity of this price-based SSG duty shall lapse with the termination of the reform process in agriculture as established by the WTO Agreement on Agriculture.

Likewise, the DA has imposed an additional duty on "Meat and offal of fowls of the species *Gallus domesticus* prepared or preserved in airtight containers" since its cumulative volume from January to July 2002 has already exceeded its set trigger volume. The amount of SSG duty to be imposed shall be 15% or one third of the applicable out-of-quota customs duty (Chapter III, rule 23, 1b of RA 8800). The regular out-of-quota duty for preserved chicken meat in airtight containers stands at 50 percent. The duration of this additional SSG duty has been set until the end of the current year only.

H.S. Code	Product Description	2002 Duty	Duty + SSG	Trigger Volume
1602.32.10	Meat and offal of fowls of the species <i>Gallus domesticus</i> , prepared or preserved in airtight containers	50%	50% + 15%	25,672 kgs.

1. SSG duties are only estimates computed using average unit price. SSG duties are specific and dependent on the price difference ratio between the c.i.f. import price and the set trigger price (per Section 24 (b) of Chapter III of Republic Act 8800).